GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:3618
ANSWERED ON:08.08.2017
Industry Status to Agriculture
Gawali (Patil) Ms. Bhavana;Verma Smt. Rekha Arun

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether there has been demands from various sections for granting industry status to agriculture and separate budget for agriculture ;

(b) if so, the details thereof and the response of the Government thereto ;

(c) whether any steps have been taken by the Government to attract investment in agriculture sector and to increase the agriculture growth rate; and

(d) if so, the details thereof along with the invested/released amount for the purpose during the said period and the achievements made therein ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) & (b): Government has been receiving suggestions from various quarters to accord status of industry to agriculture and also for separate budget for Agriculture.

Government seeks to bestow on the agriculture sector as many benefits as available to those in the manufacturing sector, such as, easy availability of credit and other inputs and infrastructure facilities for development of agriculture sector including marketing and post harvest management. Further, Government has launched a comprehensive crop insurance scheme called 'Pradhan Mantri Fasal Bima Yojana' (PMFBY) which covers the risks- and uncertainties that the farm sector is exposed to.

Agriculture is intrinsically linked to various other sectors like road, power, irrigation, land, finance, fertilizers etc., which are covered under the General Budget. It is, therefore, necessary to continue to maintain such linkage and hence, a separate budget for agriculture would not be feasible.

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(c) & (d): The Government has constituted and operationalised the Long Term Irrigation Fund (LTIF) to be instituted in NABARD as part of Pradhan Mantri Krishi Sinchayi Yojana (PMKSY). The Fund, with an initial corpus of about Rs 20,000 crore, was announced in the Union Budget 2016-17 which has been hiked by another Rs. 20,000 crore during 2017-18, taking the total fund size to Rs 40,000 crore. The Government has also announced a dedicated micro irrigation fund which will be set up in NABARD to achieve the goal, "per drop more crop", with an initial corpus of Rs 5,000 crore.

The Crops Insurance Scheme which was started in Kharif 2016 viz. the Prime Minister Fasal Bima Yojana (PMFBY) will insulate our farmers from vagaries of weather thus reducing hardships faced by our famers on this account. The coverage of this scheme is proposed to be increased to 40% cropped area in 2017-18 and 50% in 2018-19. PMFBY has addressed all the shortcomings in the earlier schemes and is available to the farmers at very low rates of premium. In addition to this Government is implementing e-NAM for remunerative prices of agricultural produce.

The Government has also increased the flow of institutional agriculture credit from Rs. 9,00,000 crore to Rs.10,00,000 crore during 2017-18.

As per existing Foreign Director Investment Policy, FDI up to 100 percent is permitted under automatic route in specified activities of the agriculture and allied sectors mentioned below. Further, 100 percent FDI is also allowed under automatic route in the 'Plantation sector' namely tea, coffee, rubber, cardamom, palm oil tree and olive oil tree.

a) Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions;

b) Development and Production of seeds and planting material;

c) Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture; and

d) Services related to agro and allied sectors.

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